Exhibit J

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2013
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .
Commission file number 001-34986

FXCM Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-3268672**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

55 Water Street, FL 50, New York, NY 10041
(Address of principal executive offices) (Zip Code)
(646) 432-2986
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A common stock, par value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.) Yes ☐ No ☒

As of June 28, 2013, the aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates was $623,789,933

As of March 12, 2014, there were 45,752,292 outstanding shares of the registrant's Class A Common Stock, par value $0.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement relating to its 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Form 10-K are incorporated by reference in Part III, Items 10 - 14 of this Form 10-K.

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geographic reach and diverse sources of revenue. As our near-record results in the first half of 2013 demonstrated, small improvements in trading conditions can lead to significant increases in client volumes.

Looking forward, we are optimistic that market conditions will improve in 2014. In particular, rising interest rates will increase our interest income and bring the return of the carry trade. In 2014, we will continue to pursue our strategy of increasing our scale and building a diversified revenue base by pursuing additional white label opportunities, expanding our institutional platform and increasing our presence in emerging markets. Our balance sheet strength and strong cash flow puts us in a position to pursue this strategy through organic growth and selective acquisitions. We will continue to monitor the regulatory landscape. Regulatory changes have been a constant in our market and we expect this will continue. While they can present challenges in different geographies or segments, we continue to believe they present us with more opportunities than obstacles. There are a number of regulations some already enacted, some proposed and some potential, which will impact other asset classes making spot FX more attractive, or impacting other FX brokers, presenting opportunities.

Primary Sources of Revenues

Most of our revenues are derived from fees charged as a markup or commission when our retail or institutional customers execute trades on our platform with our FX market makers. This revenue is primarily a function of the number of active accounts, the volume those accounts trade and the fees we earn on that volume.

Retail Trading Revenue - Retail trading revenue is our largest source of revenue and is primarily driven by: (i) the number of active accounts and the mix of those accounts - high volume accounts are charged a lower markup; (ii) the volume these accounts trade, which is driven by the amount of funds customers have on deposit, also referred to as customer equity, and the overall volatility of the FX market; (iii) the size of the markup we receive, which is a function of the mix of currency pairs traded, the spread we add to the prices supplied by our FX market makers and the interest differential between major currencies and the markup we receive on interest paid and received on customer positions held overnight; and (iv) retail revenues earned from contract for differences (“CFD”) trading, fees earned through white label relationships, payments we receive for order flow from FX market makers and commission income earned from spread betting, equity and related brokerage activities. For the years ended December 31, 2013 and 2012, 31% and 27%, respectively, of our retail trading revenues were derived from the activities noted in item (iv).

Institutional Trading Revenue - We generate revenue by executing spot FX trades on behalf of institutional customers through our institutional trading desks: FXCM Pro and Faros Trading LLC ("Faros"), a company in which we recently acquired 50.1% controlling interest. See “*Acquisitions, Faros”* under “*Results of Operations”*. The counterparties to these trades are external financial institutions that hold customer account balances and settle these transactions. We receive commissions for these services without incurring market risk. We also earn revenues from market making and electronic trading in the institutional FX spot and futures markets through Lucid. The income we earn on market making and electronic trading in FX spot and futures markets represents the spread between the bid and ask price for positions purchased and sold and the change in value of positions purchased and sold.

Primary Expenses

Compensation and Benefits - Compensation and benefits expense includes employee salaries, bonuses, stock compensation awards, benefits and employer taxes. Changes in this expense are driven by fluctuations in the number of employees, changes in the composition of our workforce, increases in wages as a result of inflation or labor market conditions, changes in rates for employer taxes and other cost increases affecting benefit plans. The expense associated with our bonus plans can also have a significant impact on this expense category and may vary from period to period. Compensation and benefits also includes the portion of the 49.9% of Lucid's earnings allocated among the non-controlling members of Lucid based on services provided. This allocation is reported as a component of compensation expense under “Allocation of net income to Lucid members for services provided.”

At the time of our IPO and thereafter, we have periodically granted awards of stock options to purchase shares of FXCM Inc.'s Class A common stock pursuant to the Long-Term Incentive Plan (“LTIP”) to certain employees and independent directors. Stock options granted to employees in connection with our IPO were our largest grant to date representing 79.8% of our stock options awards granted. For the years ended December 31, 2013, 2012 and 2011, we recorded stock compensation expense related to stock options granted of $10.8 million, $10.2 million and $9.5 million, respectively. Of these amounts, $8.8 million related to stock options granted at the time of our IPO for each of the years ended December 31, 2013 and 2012 and $9.2 million for the year ended December 31, 2011, respectively. The LTIP also provides for other stock based awards (“Other Equity Awards”) that may be granted by our Executive Compensation Committee. We did not incur any expense for Other Equity Awards for the year ended December 31, 2013. In June 2012, our Executive Compensation Committee granted 945,847

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Revenue Recognition

We make foreign currency markets for customers trading in FX spot markets and through our subsidiary FSL, engage in equity and related brokerage activities. FX transactions are recorded on the trade date and positions are marked to market daily with related gains and losses, including gains and losses on open spot transactions, recognized currently in income. Commissions earned on brokerage activities are recorded on a trade date basis and are recognized currently in income.

Retail Trading Revenue

Under our retail agency FX offering, trading revenue is earned by adding a markup to the price provided by FX market makers generating trading revenue based on the volume of transactions and is recorded on trade date. Under the agency model, when a customer executes a trade on the best price quotation presented by the FX market maker, we act as a credit intermediary, or a riskless principal, simultaneously entering into a trade with the customer and the FX market maker. This agency model has the effect of automatically hedging our positions and eliminating market risk exposure. Retail trading revenues principally represent the difference of our realized and unrealized foreign currency trading gains or losses on our positions with customers and the systematic hedge gains and losses from the trades entered into with the FX market makers. Retail trading revenue also includes fees earned from arrangements with other financial institutions to provide platform, back office and other trade execution services. This service is generally referred to as a white label arrangement. We earn a percentage of the markup charged by the financial institutions to their customers. Fees from this service are recorded when earned on a trade date basis. Additionally, we earn income from trading in CFDs, rollovers, payments for order flow, and spread betting. Income or loss on CFDs represents the difference between the realized and unrealized trading gains or losses on our positions and the hedge gains or losses with the other financial institutions. Income or loss on CFDs is recorded on a trade date basis. Income or loss on rollovers is the interest differential customers earn or pay on overnight currency pair positions held and the markup that we receive on interest paid or received on currency pair positions held overnight. Income or loss on rollovers is recorded on a trade date basis. Income earned on order flow represents payments received from certain FX market makers in exchange for routing trade orders to these firms for execution. Our order routing software ensures that payments for order flow do not affect the routing of orders in a manner that is detrimental to our retail customers. We recognize payments for order flow as earned on a trade date basis. Spread betting is where a customer takes a position against the value of an underlying financial instrument moving either upward or downward in the market. Income on spread betting is recorded as earned on a trade date basis.

Institutional Trading Revenue

Institutional trading revenue relates to commission income generated by facilitating spot FX trades on behalf of institutional customers through the services provided by the FXCM Pro division and Faros. The counterparties to these trades are external financial institutions that also hold customer account balances. We receive commission income on these trades without taking any market or credit risk. Institutional trading revenue is recorded on a trade date basis. We also earn income from market making and electronic trading in the institutional foreign exchange spot and futures markets through our subsidiary, Lucid. Income on market making and electronic trading in foreign exchange spot and future currencies represents the spread between the bid and ask price for positions purchased and sold and the change in value of positions purchased and sold. Income on market making is recorded as trading gains, net of trading losses, on a trade date basis.

Cash and Cash Equivalents, held for customers

Cash and cash equivalents, held for customers represents cash held to fund customer liabilities. At times, balances held in U.S. bank accounts may exceed federally insured limits. This potentially subjects us to concentration risk. We have not experienced losses in such accounts.

The balance arises primarily from cash deposited by customers and net realized gains from customer trading activity. We record a corresponding liability in connection with this amount that is included in customer account liabilities in the consolidated statements of financial condition. A portion of the balance is not available for general use due to legal restrictions in accordance with certain jurisdictional regulatory requirements.

Derivatives

Derivative financial instruments are accounted for in accordance with ASC 815, *Derivatives and Hedging* ("ASC 815"), and are included in due from/to brokers in our consolidated statements of financial condition. We recognize all derivative financial instruments in the consolidated statements of financial condition as either assets or liabilities at fair value. We enter

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Note 3. Significant Accounting Policies and Estimates

Basis of Presentation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company consolidates those entities in which it is the primary beneficiary of a variable-interest entity (VIE) as required by ASC 810, *Consolidations* ("ASC 810"), or entities where it has a controlling interest. Intercompany accounts and transactions are eliminated in consolidation.

As indicated above, the Corporation operates and controls all of the businesses and affairs of Holdings and its subsidiaries. As such, the Corporation consolidates the financial results of Holdings and records a non-controlling interest for the economic interest in Holdings not owned by the Corporation. The Corporation's and the non-controlling unit holders' economic interest in Holdings was 54.8% and 45.2%, respectively, as of December 31, 2013. The Corporation's and the non-controlling unit holders' economic interest in Holdings was 42.5% and 57.5%, respectively, as of December 31, 2012.

Net income attributable to the non-controlling interest in Holdings in the consolidated statements of operations represents the portion of earnings or loss attributable to the economic interest in Holdings held by the non-controlling unit holders. Net income attributable to other non-controlling interests in the consolidated statements of operations represents the portion of net income attributable to the non-controlling interests of Lucid, Faros and other consolidated subsidiaries or VIE's. Net income attributable to the non-controlling interest in Lucid represents the portion of earnings or loss attributable to the 49.9% economic interest held by Lucid non-controlling members whose allocation among the non-controlling members is not contingent upon services being provided. The portion of the 49.9% of Lucid earnings allocated among the non-controlling members of Lucid contingent on services provided is reported as a component of compensation expense under "Allocation of net income to Lucid members for services provided" in the consolidated statements of operations. Net income or loss attributable to the non-controlling interest in Faros (see Note 5) represents the portion of earnings or loss attributable to the 49.9% economic interest held by Faros non-controlling members. Net income or loss attributable to the non-controlling interests in other consolidated subsidiaries or VIE's represents the portion of earnings or loss attributable to the economic interests held by the non-controlling members.

Non-controlling interests in the consolidated statements of financial condition represents the portion of equity attributable to the non-controlling interests of Holdings, Lucid, Faros and other consolidated subsidiaries or VIE's. The allocation of equity to the non-controlling interests is based on the percentage owned by the non-controlling interest in the respective entity.

The Company's consolidated financial statements include the following significant subsidiaries of Holdings:

Forex Capital Markets LLC	("US")
FXCM Asia Limited	("HK")
Forex Capital Markets Limited	("UK")
FXCM Australia Limited	("Australia")
ODL Group Limited	("ODL")
FXCM Securities Limited	("FSL")
FXCM Japan Securities Co., Ltd.	("FXCMJ")
FXCM UK Merger Limited	("Merger")
Lucid Markets Trading Limited	("Lucid")
Lucid Markets LLP	("Lucid LLP")
Faros Trading LLC	("Faros")

Investments where the Company is deemed to exercise significant influence (generally defined as owning a voting interest of 20% to 50%), but no control, are accounted for using the equity method of accounting. The Company records its pro-rata share of earnings or losses each period and records any dividends as a reduction in the investment balance. The carrying value of these investments are included in Other assets in the consolidated statements of financial condition and earnings or losses are included in Loss on equity method investments, net in the consolidated statements of operations.

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Note 3. Significant Accounting Policies and Estimates - (continued)

The FX trading license is an indefinite-lived asset that is not amortized but tested for impairment. The Company's policy is to test for impairment at least annually or in interim periods if certain events occur indicating that the fair value of the asset may be less than its carrying amount. An impairment test on this indefinite-lived asset is performed during the fourth quarter of the Company's fiscal year using the October 1 carrying value. Impairment exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. There was no impairment of indefinite-lived intangible assets for the years ended December 31, 2013, 2012 and 2011 (see Note 9).

ıity Method Investments

Investments where the Company is deemed to exercise significant influence (generally defined as owning a voting interest of 20% to 50%), but no control, are accounted for using the equity method of accounting. The Company records its pro-rata share of earnings or losses each period and records any dividends as a reduction in the investment balance. Additionally, the carrying value of investments accounted for using the equity method of accounting is adjusted downward to reflect any impairment in value. For investments accounted for using the cost or equity method of accounting, the Company evaluates information (e.g., budgets, business plans, financial statements, etc.) in addition to quoted market prices, if any, in determining whether an other-than-temporary decline in value exists. Factors indicative of an impairment in value include recurring operating losses, credit defaults and subsequent rounds of financing at an amount below the cost basis of the Company's investment.

All of the Company's equity method investments are accounted for at cost. These investments are included in Other assets in the consolidated statements of financial condition and earnings or losses are included in Loss on equity method investments, net in the consolidated statements of operations. Equity method investments are included in institutional and corporate for purposes of segment reporting.

Accounts Receivable, net

As of December 31, 2013 and 2012, accounts receivable, net, consisted primarily of amounts due from institutional customers relating to the Company's FX business, and fees receivable from the Company's white label service to third parties and payments for order flow, described in "Retail Trading Revenue" below. Receivables are shown net of reserves for uncollectible accounts. The reserve for bad debts is maintained at a level that management believes to be sufficient to absorb estimated losses in the accounts receivable portfolio. The reserve is increased by the provision for bad debts which is charged against operating results and decreased by the amount of charge-offs, net of recoveries. The amount charged against operating results is based on several factors including, but not limited to, a continuous assessment of the collectability of each account, the length of time a receivable is past due and our historical experience with the particular customer. As of December 31, 2013 and 2012, the reserve netted against receivables in the consolidated statements of financial condition was not material.

Notes Receivable

Notes receivable represent receivable for notes acquired for cash plus accrued interest. Notes receivable are initially recorded at the amount of cash exchanged plus accrued interest. Interest income on the notes is recorded on an accrual basis and included in Interest income in the consolidated statements of operations. The Company individually assesses its notes receivables for impairment using internally generated cash flow projections to determine if the notes will be repaid under the expected terms of the note agreements. If the Company concludes that the counterparty will not repay a note in accordance with its terms, the Company considers the note impaired and begins recognizing interest income on a cash basis, if any. To measure impairment, the Company calculates the estimated fair value of the collateral. If the estimated fair value of the collateral is less than the carrying value of the note receivable, the Company establishes an impairment reserve for the difference. If it is likely that a note will not be collected based on financial or other business indicators, the Company's policy is to charge off the note in the period which it deems it uncollectible (see Note 10).

Other Assets

Other assets include prepaid expenses, equity method investments, deposits for rent security and deferred debt costs (see Note 11).

Note 3. Significant Accounting Policies and Estimates - (continued)

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses include operating expenses payable, amounts due to the Lucid non-controlling members in connection with trade settlements, commissions payable which represents balances owed to referring brokers for trades transacted by customers that were introduced to the Company by such brokers, bonuses payable, income taxes payable, a payable for a portion of the cash consideration relating to the business acquisitions (see Notes 5 and 13) and interest due on borrowings.

Convertible Debt Transactions

The Company separately accounts for the liability and equity components of convertible debt instruments that may be settled entirely or partially in cash upon conversion by allocating the proceeds from issuance between the liability component and the embedded conversion option, or equity component, in accordance with ASC 470, *Debt*. The value of the equity component is calculated by first measuring the fair value of the liability component, using the interest rate of a similar liability that does not have a conversion feature, as of the issuance date. The difference between the proceeds from the convertible debt issuance and the amount measured as the liability component is recorded as the equity component. The Company recognizes the accretion of the resulting discount as part of interest expense in our consolidated statements of operations.

Contingent Consideration

The Company records a liability for contingent consideration resulting from a business combination at its fair value on the acquisition date included in Other liabilities in the consolidated statements of financial condition. Each reporting period thereafter, the Company revalues this liability and records increases or decreases in the fair value as an adjustment to Other income within the consolidated statements of operations. Changes in the fair value of the contingent consideration liability can result from adjustments in the probability targets of achieving profitability and adjustments to the discount rate.

Foreign Currency

Foreign denominated assets and liabilities are re-measured into the functional currency at exchange rates in effect at the statements of financial condition dates through the consolidated statements of operations. Gains or losses resulting from foreign currency transactions are re-measured using the rates on the dates on which those elements are recognized during the period, and are included in Retail and Institutional trading revenue in the consolidated statements of operations. The Company recorded gains of $5.3 million, $0.8 million and $3.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Translation gains or losses resulting from translating the Company's subsidiaries' financial statements from the functional currency to the reporting currency, net of tax, are included in Foreign currency translation gain (loss) in the consolidated statements of comprehensive income. Assets and liabilities are translated at the statement of financial condition date while revenues and expenses are translated at an applicable average rate.

Revenue Recognition

The Company makes foreign currency markets for customers trading in FX spot markets and through its subsidiary FSL, engages in equity and related brokerage activities. FX transactions are recorded on the trade date and positions are marked to market daily with related gains and losses, including gains and losses on open spot transactions, recognized currently in income. Commissions earned on brokerage activities are recorded on a trade date basis and are recognized currently in income.

Retail Trading Revenue

Under the Company's retail agency FX offering, trading revenue is earned by adding a markup to the price provided by FX market makers generating trading revenue based on the volume of transactions and is recorded on trade date. Under the agency model, when a customer executes a trade on the best price quotation presented by the FX market maker, the Company acts as a credit intermediary, or a riskless principal, simultaneously entering into a trade with the customer and the FX market maker. This agency model has the effect of automatically hedging the Company's positions and eliminating market risk exposure. Retail trading revenues principally represent the difference of the Company's realized and unrealized foreign currency trading gains or losses on its positions with customers and the systematic hedge gains and losses from the trades entered into with the

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Note 3. Significant Accounting Policies and Estimates - (continued)

FX market makers. Retail trading revenue also includes fees earned from arrangements with other financial institutions to provide platform, back office and other trade execution services. This service is generally referred to as a white label arrangement. The Company earns a percentage of the markup charged by the financial institutions to their customers. Fees from this service are recorded when earned on a trade date basis. Additionally, the Company earns income from trading in CFDs, rollovers, payments for order flow, and spread betting. Income or loss on CFDs represents the difference between the Company's realized and unrealized trading gains or losses on its positions and the hedge gains or losses with the other financial institutions. Income or loss on CFDs is recorded on a trade date basis. Income or loss on rollovers is the interest differential customers earn or pay on overnight currency pair positions held and the markup that the Company receives on interest paid or received on currency pair positions held overnight. Income or loss on rollovers is recorded on a trade date basis. Income earned on order flow represents payments received from certain FX market makers in exchange for routing trade orders to these firms for execution. The Company's order routing software ensures that payments for order flow do not affect the routing of orders in a manner that is detrimental to its retail customers. The Company recognizes payments for order flow as earned on a trade date basis. Spread betting is where a customer takes a position against the value of an underlying financial instrument moving either upward or downward in the market. Income on spread betting is recorded as earned on a trade date basis.

Institutional Trading Revenue

Institutional trading revenue relates to commission income generated by facilitating spot FX trades on behalf of institutional customers through the services provided by FXCM Pro and Faros (see Note 5). The counterparties to these trades are external financial institutions that also hold customer account balances. The Company receives commission income on these trades without taking any market or credit risk. Institutional trading revenue is recorded on a trade date basis. The Company also earns income from market making and electronic trading in the institutional foreign exchange spot and futures markets through Lucid. Income on market making and electronic trading in foreign exchange spot and future currencies represents the spread between the bid and ask price for positions purchased and sold and the change in value of positions purchased and sold. Income on market making is recorded as trading gains, net of trading losses, on a trade date basis.

Interest Income

Interest income consists of interest earned on cash and cash equivalents and cash and cash equivalents, held for customers and is recognized in the period earned. Interest income also includes interest on the Notes receivable.

Other Income

Other income primarily includes amounts earned from the sale of market data, equity and equity option brokerage activities, account maintenance fees, ancillary fee income and recovery of accounts receivable previously written off.

For the year ended December 31, 2013, Other income in the consolidated statements of operations includes $7.0 million of revenue related to the re-measurement of the contingent consideration recorded for the acquisition of Faros (see Note 5), partly offset by a charge of $1.2 million attributable to the re-measurement of the Due to related parties pursuant to tax receivable agreement to reflect a revised U.S. federal tax rate. For the year ended December 31, 2012, Other income in the consolidated statements of operations includes a $1.4 million gain related to a settlement with the former owners of ODL.

For the year ended December 31, 2011, Other income in the consolidated statements of operations includes $4.5 million of revenue related to the termination of a trade execution services contract that resulted in the recognition of previously deferred income and $3.3 million attributable to the re-measurement of the Due to related parties pursuant to tax receivable agreement to reflect the Company’s revised U.S. Federal income tax rate.

Communications and Technology

Communications and technology expense consists primarily of costs for network connections to our electronic trading platforms, telecommunications costs, and fees paid for access to external market data. This expense is affected primarily by the growth of electronic trading, our network/ platform capacity requirements and by changes in the number of telecommunication hubs and connections which provide our customers with direct access to our electronic trading platforms.

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Note 14. Earnings per Share - (continued)

The following is a reconciliation of the numerator and denominator used in the basic and diluted EPS calculations, with amounts in thousands except per share data:

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Basic and diluted net income per share:			
Numerator			
Net income available to holders of Class A common stock	$ 14,832	$ 8,958	$ 12,736
Earnings allocated to participating securities	-	-	-
Earnings available for common stockholders	$ 14,832	$ 8,958	$ 12,736
Denominator for basic net income per share of Class A common stock			
Weighted average shares of Class A common stock	32,789	24,086	16,567
Add dilutive effect of the following:			
Stock options	616	-	-
Lucid contingently issuable shares	552	-	-
Convertible note hedges	-	-	-
Warrants	-	-	-
Assumed conversion of Holding Units for Class A common stock	-	-	-
Dilutive weighted average shares of Class A common stock	33,957	24,086	16,567
Basic income per share of Class A common stock	$ 0.45	$ 0.37	$ 0.77
Diluted income per share of Class A common stock	$ 0.44	$ 0.37	$ 0.77

Note 15. Related Party Transactions

Amounts receivable from, and payable to, related parties are set forth below, with amounts in millions:

	December 31, 2013	December 31, 2012
Receivables		
Advances to partners	$ 0.9	$ -
Advances to employees	0.8	0.9
	$ 1.7	$ 0.9
Payables		
Guaranty agreements	$ 8.4	$ 9.0
Employees	0.7	0.3
Shareholders with greater than 5% ownership in the Company	0.2	0.7
Due to Lucid non-controlling members in connection with the allocation of net income to Lucid non-controlling members for services provided	9.8	-
Due to Lucid non-controlling members in connection with trade settlements	0.2	9.6
Notes payable to Lucid non-controlling members in connection with the Acquisition	9.8	22.9
Tax receivable agreement	150.3	100.8
Follow-on Payment	3.7	-
	$ 183.1	$ 143.3

The Company has advanced funds for withholding taxes for several partners. The outstanding balance as of December 31, 2013, included in the table above, is included in Accounts receivable, net in the consolidated statements of financial condition.

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Note 15. Related Party Transactions - (continued)

The Company has advanced funds to several employees. The outstanding balances as of December 31, 2013 and 2012, included in the table above, are included in Accounts receivable, net in the consolidated statements of financial condition.

Customer account liabilities included in the consolidated statements of financial condition include balances for employees and shareholders with greater than 5% ownership in the Company.

UK is party to an arrangement with Global Finance Company (Cayman) Limited, ("Global Finance"), and Master Capital Group, S.A.L. ("Master Capital"). A shareholder of the Company beneficially owns more than 90% of the equity of Global Finance and Master Capital. Pursuant to such arrangement, Global Finance and Master Capital are permitted to use the brand name "FXCM" and our technology platform to act as the Company's local presence in certain countries in the Middle East and North Africa ("MENA"). UK collects and remits to Global Finance and Master Capital fees and commissions charged by Global Finance and Master Capital to customers in MENA countries. For the years ended December 31, 2013, 2012 and 2011, these fees and commissions were approximately $1.6 million, $2.5 million and $3.5 million, respectively, and are included in the consolidated statements of operations.

In March 2012, the Company entered into a settlement agreement with the former owners of ODL in connection with the acquisition of ODL by the Company in October 2010. The settlement agreement serves to settle outstanding claims arising out of the acquisition of ODL related to certain warranties and indemnities pursuant to the share and purchase agreement. The settlement to the Company included cash of $1.2 million, return of capital, (i.e., equity interest of Holdings) of $4.0 million, and the forgiveness of the payment of a liability by the Company to the former owners in the amount of $1.4 million. The Company recorded a gain of $1.4 million for the year ended December 31, 2012, included in Other income in the consolidated statements of operations, in connection with this settlement. In addition, the settlement required ODL to establish a collateral account for the benefit of the Company to pay certain outstanding third party claims up to an agreed upon amount. For the year ended December 31, 2013, the Company recorded a net loss of $0.2 million, included in Other income in the consolidated statements of operations, related to this settlement.

In August 2012, the Company entered into a master guaranty agreement (the "Method Guaranty") with Method Credit Fund ("Method"), a Cayman Island company, owned by certain directors and shareholders of the Company, including several of the Company's executive officers. Pursuant to the Method Guaranty, Method unconditionally guaranteed the obligations of certain counterparties that maintained a margin account with the Company. The Method Guaranty required Method to maintain a cash collateral account held by the Company equal to the aggregate amount of margin extended to all counterparties covered by the Method Guaranty. In exchange for this unconditional guaranty, the Company remitted a fee to Method determined on a counterparty by counterparty basis which was agreed upon by the Company, Method and the respective counterparty. The agreement was terminated in November 2013 and upon termination, the aggregate amount of margin extended under the Method Guaranty was reduced to zero. As of December 31, 2012, the aggregate amount of margin extended under the Method Guaranty was $1.1 million. During the years ended December 31, 2013 and 2012, no payments were made by Method to the Company to satisfy a guaranteed counterparty obligation. For the years ended December 31, 2013 and 2012, fees collected from counterparties and subsequently remitted to Method by the Company under the Method Guaranty were not material and are included in Referring broker fees in the consolidated statement of operations. As of December 31, 2012, the Company held cash collateral in the amount of $9.0 million which is included Cash and cash equivalents, held for customers and Customer account liabilities in the consolidated statements of financial condition.

In November 2013, the Company entered into a master guaranty agreement (the "Monetary Guaranty") with Monetary Credit Group LLC ("Monetary"), a newly formed Texas limited liability company, owned by certain directors and shareholders of the Company, including several of the Company's executive officers. Pursuant to the Monetary Guaranty, Monetary unconditionally guarantees the obligations of certain counterparties that maintain a margin account with the Company. The Monetary Guaranty requires Monetary to maintain a cash collateral account held by the Company equal to the aggregate amount of margin extended to all counterparties covered by the Monetary Guaranty. In exchange for this unconditional guaranty, the Company remits a fee to Monetary determined on a counterparty by counterparty basis which is agreed upon by the Company, Monetary and the respective counterparty. The Monetary Guaranty may be terminated by either the Company or Monetary at any time provided that if Monetary elects to terminate there are no guaranteed obligations outstanding. As of December 31, 2013, the aggregate amount of margin extended under the Monetary Guaranty was $4.5 million. During the year ended December 31, 2013, no payments were made by Monetary to the Company to satisfy a guaranteed counterparty obligation. For the year ended December 31, 2013, fees collected from counterparties and subsequently remitted to Monetary

Note 15. Related Party Transactions - (continued)

by the Company under the Monetary Guaranty were not material and are included in Referring broker fees in the consolidated statements of operations.

As of December 31, 2013, the Company held cash collateral in the amount of $8.4 million which is included in Cash and cash equivalents, held for customers and Customer account liabilities in the consolidated statements of financial condition. In January 2014, $2.4 million of the cash collateral was returned to one of the former members of Method and the balance was reduced to $6.0 million.

Accounts payable and accrued expenses in the consolidated statements of financial condition include a balance of $0.2 million and $9.6 million of advances from certain Lucid non-controlling members in connection with trade settlements as of December 31, 2013 and December 31, 2012, respectively. Accounts payable and accrued expenses also include a balance of $9.8 million and nil related to the Allocation of net income to Lucid members for services provided as of December 31, 2013 and December 31, 2012, respectively (see Note 3).

Notes payable of $9.8 million and $22.9 million included in the consolidated statements of financial condition as of December 31, 2013 and December 31, 2012, respectively, represent the amount borrowed from the Lucid non-controlling members in connection with the Acquisition (see Notes 5 and 21).

Other liabilities in the consolidated statements of financial condition include the Follow-on Payment of $3.7 million and nil as of December 31, 2013 and December 31, 2012, respectively, related to the Faros acquisition (see Note 5).

Exchange Agreement

As discussed in Note 2, Existing Unit Holders entered into an Exchange Agreement under which they (or certain permitted transferees thereof) have the right, from and after the first anniversary of the date of the closing of the IPO (subject to the terms of the exchange agreement as described therein), to exchange their Holding Units for shares of the Corporation's Class A Common Stock on a one-for-one basis at fair value, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. During the years ended December 31, 2013 and 2012, certain members of Holdings exchanged 10.1 million and 10.8 million, respectively of their Holding Units, on a one-for-one basis, for shares of Class A common stock of the Corporation under the Exchange Agreement.

Payments under Tax Receivable Agreement

As discussed in Note 2, the Corporation entered into a tax receivable agreement with the Existing Unit Holders. The aggregate amounts due under the tax receivable agreement were $150.3 million and $100.8 million as of December 31, 2013 and 2012, respectively. Amounts due under the tax receivable agreement become payable upon the realization of the tax benefit by the Corporation. During the years ended December 31, 2013 and 2012, the Corporation made payments of $3.8 million and nil, respectively, to Existing Unit Holder related to the tax receivable agreement.

Note 16. Stock-Based Compensation

The Company has a long term incentive plan (the "LTIP") that provides for the grant of stock options to purchase shares of the Corporation's Class A common stock to its employees ("Employee Stock Options") and the independent members of the board of directors ("Independent Directors Options") (collectively, the "Stock Options"). The Employee Stock Options have a contractual term of seven years and a four-year graded vesting schedule. The Independent Directors Options also have a seven-year contractual term but cliff vest on the first anniversary after the grant date. Under the terms of the LTIP, the Company may issue new shares or treasury shares upon share option exercise.

During the year ended December 31, 2013, the Company granted 105,636 Independent Director Options and 426,000 Employee Stock Options to purchase shares of the Corporation's Class A common stock to employees. During the year ended December 31, 2012, the Company granted 109,488 Independent Director Options and 725,000 Employee Stock Options to purchase shares of the Corporation's Class A common stock to employees.

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Note 25. Foreign Currencies and Concentration of Credit Risk - (continued)

financial instrument. It is the Company's policy to: (i) perform credit reviews and due diligence prior to conducting business with counterparties; (ii) set exposure limits and monitor exposure against such limits; and (iii) periodically review, as necessary, the credit standing of counterparties using multiple sources of information. The Company's Due from brokers balance included in the consolidated statements of financial condition was $5.5 million and $8.0 million as of December 31, 2013 and 2012, respectively. As of December 31, 2013, 96.2% of the Company's Due from brokers balance, included in the consolidated statements of financial condition, was from one large financial institution. As of December 31, 2012, 91.5% of the Company's Due from brokers balance, included in the consolidated statements of financial condition, was from one large financial institution. Two banks held more than 10.0% each of the Company's total cash and cash equivalents and cash and cash equivalents, held for customers as of December 31, 2013. Three banks held more than 10.0% each of the Company's total cash and cash equivalents and cash and cash equivalents, held for customers as of December 31, 2012.

Note 26. Segments

ASC 280, *Segment Reporting,* establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's operations relate to FX trading and related services and operate in two segments - retail and institutional, with different target markets and are covered by a separate sales force, customer support and trading platforms. The Company's segments are organized around three geographic areas. These geographic areas are the United States, Asia and Europe and are based on the location of its customers' accounts.

Retail Trading

The Company operates its retail business whereby it acts as an agent between retail customers and a collection of large global banks and financial institutions by making foreign currency markets for customers trading in foreign exchange spot markets through its Retail Trading business segment. The Retail Trading business segment also includes the Company's white label relationships, CFDs, payments for order flow and rollovers. In addition, the Retail Trading business segment includes offerings to some of the Company's smaller retail clients to trade with a dealing desk, or principal model.

Institutional Trading

Institutional Trading facilitates spot foreign currency trades on behalf of institutional customers, market making and electronic trading in the institutional foreign exchange spot and futures markets. The facilitation of spot foreign currency trades allows customers to obtain the best execution price from external banks and financial institutions.

Information concerning the Company's operations by reportable segment is as follows, with amounts in thousands:

	As of and For the Year Ended December 31, 2013			
	Retail Trading	Institutional Trading	Corporate	Total
Total net revenues	$ 379,840	$ 110,957	$ (1,209)	$ 489,588
Operating and other expenses	219,016	99,536	119,176	437,728
Income (loss) before income taxes	$ 160,824	$ 11,421	$ (120,385)	$ 51,860
Assets	$ 1,622,829	$ 417,492	$ 183,626	$ 2,223,947